--7. (Amended) The terminal device as claimed in claim 3, further comprising a third controller for making a request for purchasing the accounting point information to the accounting center and updating the accounting point information stored in the first memory based on an accounting processing status corresponding to the accounting point information received from the accounting center.--

REMARKS

Claims 2 and 8-12 are hereby canceled, without prejudice or disclaimer. Claims 1 and 3-7 remain in the application, and claims 1 and 3-7 have been amended hereby.

The Claims have been carefully reviewed and amended with particular attention to the points raised in the Office Action. It is submitted that no new matter has been added and no new issues have been raised by the present Amendment. Attached hereto is a version with markings to show changes made to the Claims by the current Amendment.

Applicant hereby affirms the election without traverse to prosecute the invention of Group I, claims 1-7, drawn to a terminal device, by canceling the non-elected claims.

In response to the objection by the Examiner, a substitute specification has been attached hereto as Exhibit A along with a marked copy of the specification showing the changes made to the specification attached hereto as Exhibit B. It is certified that this substitute specification

contains no new matter.

Reconsideration is respectfully requested of the rejection of claims 3, 5, and 6 under 35 U.S.C. § 112, second paragraph, for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The instances noted by the Examiner have been corrected in the amendments made to the claims hereby to make it more clear that the claims are directed to a terminal device.

Withdrawal of the rejection under 35 U.S.C. § 112, second paragraph, is respectfully requested.

Reconsideration is respectfully requested of the rejection of claims 1 and 3-7 under 35 U.S.C. § 102(e), as being anticipated by U.S. Patent Application Publication No. US 2001/0016836 A1 (Boccon-Gibod et al.).

Applicant has carefully considered the Examiner's comments and the cited reference, and respectfully submits that amended claims 1 and 3-7 are patentably distinct over the cited reference for at least the following reasons.

The present invention relates to a terminal device for use in the distribution of information. The terminal device includes a first memory for storing accounting point information and a second memory for storing information distributed from an external source. The terminal device also includes a control section for updating the accounting point information stored in the first memory and for updating attributes of the distributed information stored in the second

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memory. The terminal device communicates with a distribution/accounting center via a communication channel to receive the distributed information. A user of the terminal device purchases information by selecting desired information that is downloaded. When the downloaded information is chargeable information, accounting performed by the user switches a use permission attribute of the information from an unusable state to a usable state, allowing the user to access the information. When the accounting processing is performed accounting points corresponding to the selected information are subtracted from available points stored in the terminal device and use of selected information is allowed only when there are sufficient accounting points available.

Boccon-Gibod et al., as understood by Applicant, relates to a method and apparatus for distributing multimedia information over a network. A user of the method and apparatus installs client software, a unique communication encryption key, and a user identification (ID) on a client computer that can be connected to a server containing the multimedia information via the network. When this client-server connection is made, the server identifies the correct communication encryption key to use to open a secure communication channel with the client. The method and apparatus utilizes commerce units assigned to the user's account and stored in a database to determine if the user is entitled to purchase and download the multimedia information from the server. When the user decides to purchase the

multimedia information, the client software sends a purchase request to an online server module that checks the database to determine whether the user has sufficient commerce units to download the requested information. Once the online server module determines that the user has sufficient commerce units to download the requested information, the module generates a unique playback encryption key for the requested information based on the user and the information. The online server module transfers the requested information in an encrypted form, and the playback encryption key is transferred to the client software and is stored to allow the user to allow the user to play back the downloaded information.

The Examiner contends that the present invention is anticipated by the disclosure by Boccon-Gibod et al. of a control means that subtracts and updates accounting information and makes available the content. Applicant respectfully maintains that Boccon-Gibod et al. does not disclose or suggest the storage of the accounting information on a terminal device.

Boccon-Gibod et al. teaches the storage of commerce units of the user in a database unit (see Boccon-Gibod et al., p. 3, ¶ [0036]; p. 4, ¶ [0037]). This database unit is included within the server (see id., p. 2, ¶ [0024]). Boccon-Gibod et al. does not disclose or suggest the storage of accounting point information in a memory within the terminal device (see Specification of the present application, pg. 3, lns. 11-12; p. 15, lns. 16-21).

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Accordingly, for the above-stated reason, it is respectfully submitted that amended independent claim 1 is patentably distinct over Boccon-Gibod et al.

Claims 3-7 depend from amended independent claim 1, which for the reason set forth above is thought to be patentably distinct over Boccon-Gibod et al. and, for that very same reason, claims 3-7 are also submitted to be patentably distinct thereover.

Reconsideration is respectfully requested of the rejection of claims 1 and 3-7 under 35 U.S.C. § 102(e), as being anticipated by U.S. Patent No. 5,959,945 (Kleiman).

Applicant has carefully considered the Examiner's comments and the cited reference, and respectfully submits that amended claims 1 and 3-7 are patentably distinct over the cited reference for at least the following reason.

Kleiman, as understood by Applicant, relates to a system for selectively distributing music data to a plurality of jukeboxes using a variety of communication means. The system includes jukeboxes containing digitally stored music which selectively request transmission of specific songs from a centralized storage location based on usage information, and a system which coordinates transmissions to optimize channel bandwidth. A music hierarchy system is utilized in each jukebox to determine customer preferences for automating music selection during updating of music stored within the jukebox. The centralized storage location processes requests from the jukeboxes and schedules individual requests to coordinate

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transmission of the music data to multiple locations simultaneously, and periodically updates the jukeboxes with new music data. The system can also serve as a content distribution system for providing users with the music data. Utilizing a Virtual Inventories with Perpetual Reproduction and Execution of Electronic Titles (VIP) architecture, each piece of music data is stored as a separate Virtual Electronic Title (VET). An Personal Jukebox (PJ) serving as an Intelligent Terminal (IT) contains a central processing unit (CPU) hardware box, a massive storage system, and an operating system is used by the user to select music data. The PJ is loaded with credits used to purchase selected music data. Each VET can be reproduced in a medium such as a Digital Video Disc (DVD), Compact Disc (CD), tape, or paper upon request by a user.

The Examiner contends that the present invention is anticipated by Kleiman. Applicant respectfully maintains that Kleiman does not disclose or suggest the updating of attributes of distributed information from an unavailable state to an available state.

As understood by Applicant, in the use of the invention as an information distribution system Kleiman teaches the use of credits loaded to and stored within an intelligent terminal (IT) prior to downloading of the selected music data. As the data is downloaded, the number of credits is decreased, and the IT only downloads music data while there are credits remaining. Each compressed virtual electronic title (VET),

including a corresponding cost, is encrypted using a VET key to create a VET envelope that is transferred to the IT and stored in a hierarchical storage of the IT. While the number of credits is sufficient, when music data is selected to be played the corresponding VET is retrieved from storage, decrypted, decompressed, D/A converted, and output to an audio amplifier (see Kleiman, col. 13, lns. 34-67; Fig. 7(b)). Kleiman does not disclose or suggest the updating of attributes of the distributed information from an unavailable state to an available state to allow use of the information (see Specification of the present application, p. 3, lns. 6-9; p. 31, lns. 2-7).

Claims 3-7 depend from amended independent claim 1, which for the reason set forth above is thought to be patentably distinct over Kleiman and, for that very same reason, claims 3-7 are also submitted to be patentably distinct there over.

Withdrawal of the rejection of claims 1 and 3-7 under 35 U.S.C. § 102(e) is respectfully requested.

Reconsideration is respectfully requested of the rejection of claims 1 and 3-7 under 35 U.S.C. § 103(a), as being unpatentable over U.S. Patent No. 5,619,247 (Russo).

Applicant has carefully considered the Examiner's comments and the cited reference, and respectfully submits that amended claims 1 and 3-7 are patentable over the cited reference for at least the following reasons.

Russo, as understood by Applicant, relates to a stored program pay-per-play system including a high-capacity storage

medium facilitating compilation of video, audio, or other data at a subscriber's location. The subscriber possesses magnetic, optical, or magneto-optical storage means for recording program material for playback. The recording may occur at any time preceding playback of a program, but billing an account of the subscriber is only performed when and if the subscriber selects the program for replay or enjoys the program substantially in its entirety.

Russo teaches the establishment of an account with the program material provider. The account contains either a predetermined amount of purchasing credit or an open-ended line of credit. The program material provider maintains a list of programs selected for output, debits the account by a corresponding amount, and sends an invoice to the subscriber (see Russo, col. 10, lns. 28-37). Russo does not disclose or suggest the subtraction of accounting point information stored within a terminal device to perform pay processing (see Specification of the present application, p. 3, lns. 6-7, 11-14; p. 15, lns. 16-21; p. 31, lns. 12-14).

Claims 3-7 depend from amended independent claim 1, which for the reason set forth above is thought to be patentable over Russo and, for that very same reason, claims 3-7 are also submitted to be patentable thereover.

Withdrawal of the rejection of claims 1 and 3-7 under 35 U.S.C. § 103(a) is respectfully requested.

Should the Examiner disagree, it is respectfully requested that the Examiner specify where in the cited

document there is a basis for such disagreement.

The references cited as of interest have been reviewed and are not seen to show or suggest the present invention, as recited in the amended claims.

The Office is hereby authorized to charge any additional fees which may be required in connection with this Amendment and to credit any overpayment to Deposit Account No. 03-3125.

Favorable reconsideration is earnestly solicited.

Respectfully submitted,
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JHM/AVF

VERSION WITH MARKINGS TO SHOW CHANGES MADE

IN THE CLAIMS

Claims 2 and 8-12 have been canceled without prejudice or disclaimer, and claims 1 and 3-7 have been amended as follows:

--1. (Amended) A terminal device [capable of] for communicating with an accounting center, comprising:

a first memory [means] for storing accounting point information;

a second memory [means] for storing information [distributed] received from an external source; and

[first control means] a controller for updating the accounting point information stored in the first memory [means] and updating attributes of the [distributed] received information when the [distributed] received information is stored in the second memory [means.].

wherein when the received information is stored into the second memory the controller modifies the accounting point information stored in the first memory and updates the attributes of the received information from an unavailable state to an available state.

--3. (Amended) The terminal device as claimed in claim 1, wherein the controller comprises a first controller and further comprising

a second [control means] controller for transmitting at least the accounting point information stored in the first

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memory [means] to the accounting center and setting the
accounting point information stored in the first memory
[means] at an initial value based on [the basis of] a status
of accounting processing corresponding to the accounting point
information [which is executed at]‗

    wherein the accounting processing status is transmitted
from the accounting center to the terminal device.

    --4. (Amended) The terminal device as claimed in claim
1, wherein when the accounting point information stored in the
first memory [means] is insufficient for the [distributed]
received information stored in the second memory [means], the
[first control means carries out] controller performs control
so that the attributes of the [distributed] received
information [is] are held in the unavailable state to [the] a
user.

    --5. (Amended) The terminal device as claimed in claim
3, wherein when the accounting point information stored in the
first memory [means] is insufficient for the [distributed]
received information stored in the second memory [means], the
second [control means] controller transmits the accounting
point information stored in the first memory [means] to the
accounting center and sets the accounting point information
stored in the first memory [means] at an initial value based
on [the basis] the status of [the] accounting processing
corresponding to the accounting point information [which is

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executed at the accounting center].

--6. (Amended) The terminal device as claimed in claim
1, further comprising [communication means capable of] a
communicator for communicating with an external device having
a third memory [means],

wherein [when information is stored into the third memory
means of the external storage device connected via the
communication means,] the [first control means] controller
receives external device information from the external device
connected via the communicator and updates the accounting
point information stored in the first memory [means] in
accordance with the received external device information and
updates the attributes of the received information.

--7. (Amended) The terminal device as claimed in claim
[1] 3, further comprising a third [control means] controller
for making a request for purchasing the accounting point
information to the accounting center and updating the
accounting point information stored in the first memory
[means] based on [the basis of] an accounting processing
status corresponding to the accounting point information
[which is executed at] received from the accounting center.--